



**MEETING OF THE RETIREMENT BOARD
OF THE COUNTY EMPLOYEES' AND OFFICERS' ANNUITY AND BENEFIT FUND
OF COOK COUNTY AND EX OFFICIO FOR THE FOREST PRESERVE DISTRICT
EMPLOYEES' ANNUITY AND BENEFIT FUND OF COOK COUNTY
33 N Dearborn St, Suite 1000
Chicago, IL 60602**

Minutes for the September 1, 2016 Meeting of the Board

The County Employees' and Officers' Annuity and Benefit Fund of Cook County and the Forest Preserve District Employees' Annuity and Benefit Fund of Cook County are herein collectively referred to as the "Fund."

Call to Order and Roll Call

Trustees Present: John Fitzgerald, Diahann Goode, Alexis Herrera, Andrew Jatico, Patrick McFadden, Joseph Nevius, Lawrence Wilson (arrived during item 3A)

Staff Present: Nickol R. Hackett, Executive Director & CIO; Michael Maratea, Director of Finance and Administration; Gary LeDonne, Senior Policy Advisor; Margaret Fahrenbach, Legal Advisor; Brent Lewandowski, Senior Benefits Manager; Brenda Deming, Director, Health Benefits; Beverly Romanini, Office Manager; Courtney Hollins, Communications Manager

Others Present: Mary Pat Burns, Burke Burns & Pinelli; JC Francis, Annuitant; Jason Parks, Loop Capital

Trustee Herrera opened the meeting for public comment. Jeannette C Francis, an annuitant, addressed the Board and inquired about the change from BlueCross Blue Shield to UnitedHealthcare and the increasing cost of the retiree health plan. Trustee Fitzgerald stated that the rates were driven by the marketplace. The Director of Health Benefits, Brenda Deming, then left the meeting with Ms. Francis in order to separately address the member's specific concerns.

1. Review and Consideration of:

a. August 4, 2016 Board Meeting Minutes

It was moved by Trustee Nevius and seconded by Trustee Goode that the minutes of the August 4, 2016 Board meeting be adopted

Vote Result: **MOTION ADOPTED UNANIMOUSLY BY VOICE VOTE**

b. August 4, 2016 Trustee Selection Committee Minutes

It was moved by Trustee McFadden and seconded by Trustee Goode that the minutes of the August 4, 2016, Trustee Selection Committee meeting be adopted.

Vote Result: **MOTION ADOPTED UNANIMOUSLY BY VOICE VOTE**

c. August 18, 2016 Special Board Meeting Minutes

It was moved by Trustee McFadden and seconded by Trustee Nevius that the minutes of the August 18, 2016, Special Board meeting be adopted.

Vote Result: **MOTION ADOPTED UNANIMOUSLY BY VOICE VOTE**

2. Review and Consideration of:

a. Bills, Payroll Records

It was moved by Trustee Fitzgerald and seconded by Trustee McFadden that the action taken by the Fund's staff in remitting payments for the presented bills and payroll records and having received confirmation from Fund staff that such payments were consistent with the approved administrative budget, that the payments be ratified."

Roll Call Vote:

AYES: Goode, Fitzgerald, Herrera, Jatico, Kouruklis, McFadden, Nevius

NAYS: None

Vote Result: **MOTION ADOPTED**

b. Annuities, Spouse and Child Annuities and Refunds

The Fund's staff presented their recommendations to the Board regarding the applications for annuities, spouse and child annuities, and refunds and confirmed that they followed the Fund's procedures in reviewing and processing the applications in making their recommendations.

It was then moved by Trustee Fitzgerald and seconded by Trustee Nevius, after due consideration of the applications presented to the Board and having received confirmation from the staff that they followed the Fund's procedures in reviewing and processing the applications, that the recommendations for the presented annuities and refunds be approved.

Roll Call Vote:

AYES: Goode, Fitzgerald, Herrera, Jatico, Kouruklis, McFadden, Nevius

NAYS: None

Vote Result: **MOTION ADOPTED**

c. Ordinary and Duty Disabilities

The Fund's staff presented their recommendations to the Board regarding the applications for ordinary and duty disability benefits and confirmed that they followed the Fund's procedures in reviewing and processing the applications in making their recommendations.

It was moved by Trustee Goode and seconded by Trustee Fitzgerald, after due consideration of the disability applications presented to the Board and having received confirmation from staff that they followed the Fund's procedures in reviewing and processing the applications, that the recommendations for the presented disability applications be approved.

Roll Call Vote:

AYES: Goode, Fitzgerald, Herrera, Jatico, Kouruklis, McFadden, Nevius

NAYS: None

Vote Result: MOTION ADOPTED

3. Administrative Report

a. RFP Consultant Search Authorization

Nickol R. Hackett, Executive Director and CIO, stated that the Fund was seeking to retain a consultant to assist with its multi-year initiative to improve member services by creating compatible platforms for data management, operations and member access through the new pension administration system. While the Fund staff has conducted extensive documentation of the current benefit systems, processes and workflow, she noted that the complexity of the requirements demands skilled expertise and a search be conducted for an RFP consultant for procurement, vendor selection and payroll management services.

It was moved by Trustee Fitzgerald and seconded by Trustee Goode that the Fund staff be authorized to conduct a search for a RFP consultant for the procurement and vendor selection of a pension benefits system as presented.

Vote Result: MOTION ADOPTED UNANIMOUSLY BY VOICE VOTE

4. Trustee Matters

a. Cook County Employee Trustee Vacancy Update

The Executive Director stated the selection process for filling the vacant County Employee Member position had been completed and welcomed newly appointed Andrew Jatico to the Board.

5. Other Disability Matters

a. Duty Disability Physician Waiver

Brent Lewandowski, Senior Benefits Manager, reported that PA 99-0578 recently amended the Illinois Pension Code to permit the Board to approve duty disability benefits without a recommendation of disability from the County Physician so long as the member was compensated for the duty injury under the Illinois Workers' Compensation Act for the period of time in which duty disability benefits were requested. He stated that the first two cases that could be approved under PA 99-0578 were presented for the Board's consideration. It was expected that any additional cases that could be approved under this amendment would be presented with the other disability cases for standard approvals.

It was moved by Trustee McFadden and seconded by Trustee Fitzgerald that the Board approve the duty disability benefits requested by members with Office #109952 and Office #141637, each having received compensation for their injuries under the Illinois Workers' Compensation Act and each having provided proof of their disabilities as required by PA 99-0578.

Roll Call Vote:

AYES: Goode, Fitzgerald, Herrera, Jatco, Kouruklis, McFadden, Nevius, Wilson

NAYS: None

Vote Result: MOTION ADOPTED

b. Ordinary Disability ARCP Repayment

Gary LeDonne, Senior Policy Advisor, stated that a member with Office #145302 who received an Alternative Retirement Cancellation Payment ("ARCP") had applied to receive ordinary disability benefits. Mr. LeDonne explained that under ARCP, the Pension Code was amended by prior county administration so that members, who withdrew from service in 2007 and applied for a refund, would also be eligible for a 50% bonus. If the member returned to service the bonus, plus 6% interest, had to first be repaid to the Fund. The Fund had received a legal opinion from the State's Attorney that it could not prohibit the return to service of an ARCP recipient, but the Fund could collect the amounts due. Mr. LeDonne informed the Board that the Fund had notified ARCP members who returned to service of their obligations to repay the bonuses, plus interest, to the pension fund. Some ARCP members voluntarily repaid the bonuses due, including the accrued interest. If an ARCP member withdrew from County service after subsequent re-employment, the Fund has retained from the refund any amounts due under ARCP. Mr. LeDonne also noted that beginning in 2016 with the annual notice of member's contributions, ARCP members were notified of any amounts owed to the Fund. The Fund was seeking direction about establishing eligibility for the disability benefit for a member who had not repaid the ARCP bonus and collection options.

Mary Pat Burns, Fund legal counsel, stated that the Fund should continue to notify ARCP members of the amounts due and to determine if the amounts owed are collectible. She added that the Fund could enter agreements to set a payment plan to satisfy the members' obligations. Mr. LeDonne added that the Fund was owed approximately \$1.2 million in aggregate for ARCP bonuses, including accrued interest. The trustees discussed the need to

collect the ARCP payments and requested that Fund staff prepare a plan presenting options for collection for the Board to consider.

It was moved by Trustee Fitzgerald and seconded by Trustee Kouruklis that the Board defer any decision about whether the member identified by Office #145302 is eligible for ordinary disability benefits as presented and whether such benefits would be offset by any ARCP payments, plus interest, the member might owe to the Fund.

Vote Result: **MOTION ADOPTED UNANIMOUSLY BY VOICE VOTE**

6. Consideration of August 30, 2016 Health Benefits Committee Recommendation

Brenda Deming, Director of Health Benefits, stated that the Health Benefits Committee met on August 30, 2016, and reviewed the 2017 expected plan expenses and made a recommendation to the Board about the contributions that would be due from the members and the Fund for health benefits. Ms. Deming reported that the plan's 2017 expenses are expected to be a 10% increase over the 2016 projected expenses. Total annual plan cost for 2017 is projected to be \$95,500,016 based on current enrollment counts. The expense to the Fund is projected to be \$53,416,248, reduced \$47,369,648 with the implementation of the new Employer Group Waiver Plan ("EGWP") subsidies, which are valued at \$6,046,600. She also presented the proposed Fund subsidy for 2017 and corresponding member premiums.

The trustees discussed the recommendations. The Board asked that the monthly administrative fee due to UnitedHealthcare be shown separately from other amounts due to them when the staff presents the Fund's monthly expenditures for approval.

It was moved by Trustee Goode and seconded by Trustee Fitzgerald that the Board approve the recommendation made by the Health Benefits Committee at their meeting on August 30, 2016, to maintain the subsidy for member health benefits at 52% for annuitants and 67% for survivors for the Choice Plan with Medicare, the Choice Plan Non-Medicare and the Choice Plus Plan with Medicare for 2017.

Roll Call Vote:

AYES: Goode, Fitzgerald, Herrera, Jatiko, Kouruklis, McFadden, Nevius, Wilson
NAYS: None

Vote Result: **MOTION ADOPTED**

It was moved by Trustee Goode and seconded by Trustee Fitzgerald that the Board approve the recommendation made by the Health Benefits Committee at their meeting on August 30, 2016, to maintain the subsidy for member health benefits at 47% for annuitants and 62% for survivors for the Choice Plus Non-Medicare Plan for 2017.

Roll Call Vote:

AYES: Goode, Fitzgerald, Herrera, Jatiko, Kouruklis, McFadden, Nevius, Wilson
NAYS: None

Vote Result: MOTION ADOPTED

7. Legal Report

a. In the Matter of Regina Taylor – Felony Conviction/Refund

Margaret M. Fahrenbach, Legal Advisor, stated that Regina Taylor, an annuitant, had been sentenced to a felony conviction on July 12, 2016 relating to her employment at the Cook County Recorder of Deeds. At the meeting on August 4, 2016, the Board suspended her annuity benefits and notified Ms. Taylor that it would make a final determination about whether her annuity benefits would be revoked at the meeting on September 1, 2016. Ms. Fahrenbach stated that Ms. Taylor applied for a refund on August 23, 2016. By accepting a refund a member forfeits all rights to an annuity benefit.

It was moved by Trustee McFadden and seconded by Trustee Goode that the Board find that Regina Taylor was not eligible for annuity benefits pursuant to Section 9-235 of the Illinois Pension Code and that she was eligible for a refund of her remaining contributions.

Roll Call Vote:

AYES: Goode, Fitzgerald, Herrera, Jatico, Kouruklis, McFadden, Nevius, Wilson
NAYS: None

Vote Result: MOTION ADOPTED

8. Legislative Update

a. Spring Legislative Session Update

The Executive Director presented a summary of the Fund's proposed legislation for the General Assembly's spring session. She stated that all the proposed technical changes approved by the Board had been enacted by PA 99-0578. She reported that SB 2819 which would specifically allow Cook County to provide monies from sources other than the property tax bill was approved by the legislature but was vetoed by the Governor who expressed concerns about restrictions on use of additional resources and insufficiently addressed under funding.

It was discussed that the current Intergovernmental Agreement ("IGA") between the Fund and the County which transferred scheduled proceeds received due to the increase in County retail sales tax to the Fund, was effective only for 2016 and inquired about the status of 2017 proposal. Ms. Burns reported that she and the Executive Director had proposed revisions to SB 2819 and met with County representatives to discuss the changes but no agreement had yet been reached. The revisions suggested to SB 2819 by the Fund were not found acceptable by the County's representatives.

9. Old Business/New Business

Trustee McFadden asked if the Fund had the same holidays as did the County. It was reported that the Fund had the same holidays as did the County with one exception. However, the total number of holidays was the same.

10. Adjournment

There being no further business before the Board, it was moved by Trustee Fitzgerald and seconded by Trustee McFadden that the trustees adjourn the meeting.

The next Board meeting is scheduled for October 6, 2016, at 9:30 a.m.